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SUBJECT: World Bank Economist: Water Security an Issue for Sudan
Peace Talks

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¶1. (SBU) Summary: World Bank Economist Mosllem Alamir predicted that water resources in post-2011 Sudan could lead to conflict and economic crisis if the parties to the Comprehensive Peace Agreement (CPA) do not make decisions now about allocation or cooperation on the use of Nile waters. Increased development and agricultural projects in Southern Sudan could rankle Egypt, which currently claims control of the majority of the water that flows through the Nile. Alamir believes Sudan should continue its cooperation in the Nile Basin Initiative, and - should Southern Sudanese choose independence in 2011 - that Juba join the organization as well. End Summary.

Background: Nile Water is Egypt's Domain

¶2. (SBU) In 1929, British colonial authorities consolidated an agreement giving Egypt primary rights over the Nile's 85 billion cubic meters of water, permitting Egypt to veto projects by other countries that would affect its water rights. In a subsequent agreement with Sudan in 1959, Egypt agreed to accept 55.5 billion cm and Sudan 18.5 billion cm, leaving the other eight countries in the region (Uganda, Kenya, Rwanda, Ethiopia, Eritrea, Burundi, the Democratic Republic of the Congo, and Tanzania) a minimal share of Nile water. Rains in Uganda and Ethiopia contribute approximately 85 percent of the Nile's flow, but these countries have little input on the administration of the river, and could not divert any significant share of their contribution to the Nile without political backlash from Egypt.

¶3. (SBU) In an effort to avoid conflict over Nile waters, regional countries launched the Nile Basin Initiative (NBI) in 1999. The NBI has sought to use the derivatives from Nile development and extraction projects to benefit the millions who depend on the river. The NBI's mechanism of cooperative project management and gains-sharing was also considered a way to reduce Egypt's domination of the Nile. Sustainable development allows other countries to use the Nile for energy production and to provide a consistent source of other revenues. The partnership approach, has to some degree, negate the countries' need to depend on percentage shares of the water use. The NBI instead establishes policies for the projects and seeks to address environmental and other threats to the river waters.

Making the Nile a More Productive Waterway

¶4. (SBU) According to Alamir, upstream NBI member countries have long disputed the 1929 and 1959 agreements, and for years have been campaigning for a more equitable share of the water resources. He

described the NBI symposia held in July in which upstream countries hoped to pressure Egypt into agreeing to new allocations, but neither Egypt nor Sudan would consent to relinquish their historic rights to the waters. Alamir said that Egypt views its position on water-sharing from a security standpoint, as its demand for water will outpace supply within the next 10 years due to an increase in population. (Note: Sudan's needs for water are also expected to grow, although planned large-scale agricultural projects along the White Nile south of Khartoum are proceeding slowly. End note.)

¶5. (SBU) Given existing tensions, Alamir said that the Government of National Unity (GNU) and the Government of Southern Sudan (GOSS) need to decide on how the water from the Nile River will be used by both sides in various future scenarios. He pointed out that they must look at the model of regional cooperation used by the NBI countries, pending the result of the 2011 referendum on Southern Sudanese independence. (Note: Most observers and Southern Sudanese politicians assume the south will opt for secession from Sudan. End note.) Alamir pointed out that the NBI mechanism has succeeded in preventing international conflict over water rights by agreeing to cooperatively generate and manage sustainable development projects based on the resources extracted from the Nile, such as fish and hydroelectric energy. Should the south secede in 2011, Alamir said the two countries should agree to appropriately share the revenues derived from extraction, power generation, agricultural and transportation projects. Alamir advised that the ultimate aim should be to join ranks with other upstream countries to address more equitably Egyptian primacy over water resources.

Avoiding War over Water

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¶6. (SBU) During both bilateral north-south discussions and formal negotiations with Egypt, water security issues should be high on the agenda, Alamir advised. Increased competition for water resources could exacerbate diplomatic relations with Sudan's northern neighbor, and if Southern Sudan secedes, this would create yet another country competing for a share of the Nile's waters. Southern Sudan, which is severely underdeveloped, could potentially pursue large-scale mechanized agricultural projects. In such a case, Alamir expected that Egypt would view Southern Sudan as a competitor for water and consider its development as a potential threat to Egypt's quota.

¶7. (SBU) Comment: To date, most discussions of post-referendum issues have focused on the contentious issues of land and petroleum resources. Cairo is certainly aware of the possibility that Southern Sudan could become a wild card in the NBI games, a competitor for the water of the White Nile, or even an ally should the Egyptians manage to convince the GOSS to complete the Jonglei Canal, long coveted by Egypt, that would increase the flow of the White Nile at Kosti by ten percent, probably to the detriment of the Sudd, Africa's largest interior wetlands. It is no accident that the first diplomatic facility to open shop in Juba as the GOSS stood up was Egyptian.

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